

Agency Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	5.00	0.00	1.00	6.00	0.00	1.00	6.00	6.00
Personal Services	195,535	45,988	68,117	309,640	46,784	80,718	323,037	632,677
Operating Expenses	102,896	4,089	210,538	317,523	(1,804)	145,075	246,167	563,690
Total Costs	\$298,431	\$50,077	\$278,655	\$627,163	\$44,980	\$225,793	\$569,204	\$1,196,367
General Fund	298,431	50,077	278,655	627,163	44,980	225,793	569,204	1,196,367
State/Other Special	0	0	0	0	0	0	0	0
Total Funds	\$298,431	\$50,077	\$278,655	\$627,163	\$44,980	\$225,793	\$569,204	\$1,196,367

Agency Description

The Commissioner of Political Practices (COPP) has responsibilities that were defined by a legislative initiative in 1980 requiring disclosure of acts by lobbyists and business interests of elected officials. COPP also has responsibility for the ethical standards of conduct for legislators, public officers, and state employees pursuant to Title 2, Chapter 2, MCA.

Agency Highlights

Commissioner of Political Practices Major Budget Highlights	
Total funding increases include:	
◆	New proposals for a campaign and lobbyist registration computer system
◆	New proposals for 1.00 FTE as a campaign violation investigator
◆	Additional legal costs funding included as one-time-only to address case backlogs
◆	Statewide present law adjustments

Summary of Legislative Action

The legislature approved 1.00 FTE and \$118,051 over the biennium for an investigator to resolve campaign violations. The intent was to resolve campaign violations in a timely manner, reducing the backlog of cases and issuing decisions more rapidly. A \$155,000 general fund one-time-only appropriation for legal costs was also included to address these issues and support ongoing legal costs from complaints filed during the 2006 elections.

Costs related to completion of a campaign and lobbyist registration computer system were approved by the legislature. COPP in cooperation with the Secretary of State's Office contracted with technical personnel to develop a database and web-based filing system. Candidate filing fees paid to the Secretary of State paid the initial cost of \$42,000. The legislature required the commissioner provide a specific timeline for the implementation of the project and included reduction of filing errors as one of the goals of the project.

Agency Discussion

The Commissioner of Political Practices (COPP) addresses its duties with one appointed official and four staff members. Personal services comprised 65 percent of the FY 2006 base budget. In the 2009 biennium this percentage drops to 54 percent due to the new proposals in HB 2 for a campaign filing and lobbyist registration system.

The other major expenditure for COPP relates to complaints that are handled by the Agency Legal Service Bureau at the Department of Justice or outside legal counsel. An outside counsel is used in cases where there is a conflict of interest.

Legal fees comprise 46 percent of the operating costs and 16 percent of the total budget. The FY 2006 base budget cost for legal fees is \$47,500, a decrease of \$38,000 from the projected budget in the 2007 biennium.

Other Legislation

House Bill 462 provides for establishment of constituent services accounts by persons elected to statewide or legislative office or as a public service commissioner. Surplus campaign funds may be deposited into the account. The bill requires the office holder to file a form establishing the account with the COPP and quarterly reports relating to the account.

Senate Bill 253 allows certain broadcast campaign advertising material and an affidavit about the truth of the content of the material to be voluntarily filed with the COPP. Violation of this section of law is to be investigated by the county attorney of the county in which the person filing the affidavit resides.

Executive Budget Comparison

The following table compares the legislative budget for the 2009 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2006	Executive Budget Fiscal 2008	Legislative Budget Fiscal 2008	Leg – Exec. Difference Fiscal 2008	Executive Budget Fiscal 2009	Legislative Budget Fiscal 2009	Leg – Exec. Difference Fiscal 2009	Biennium Difference Fiscal 08-09
FTE	5.00	5.00	6.00	1.00	5.00	6.00	1.00	
Personal Services	195,535	241,523	309,640	68,117	242,319	323,037	80,718	148,835
Operating Expenses	102,896	246,323	317,523	71,200	163,667	246,167	82,500	153,700
Total Costs	\$298,431	\$487,846	\$627,163	\$139,317	\$405,986	\$569,204	\$163,218	\$302,535
General Fund	298,431	487,846	627,163	139,317	405,986	569,204	163,218	302,535
State/Other Special	0	0	0	0	0	0	0	0
Total Funds	\$298,431	\$487,846	\$627,163	\$139,317	\$405,986	\$569,204	\$163,218	\$302,535

The legislature included an additional \$273,051 in general fund over the biennium to provide 1.00 FTE as an investigator for complaints regarding campaign rule violations and to provide a one-time-only appropriation for anticipated legal costs. Neither of these proposals was included in the executive proposed budget.

Funding

The following table summarizes funding for the agency, by program and source, as adopted by the legislature.

Program Funding Table						
Administration						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
01000 Total General Fund	\$ 298,431	100.0%	\$ 627,163	100.0%	\$ 569,204	100.0%
01100 General Fund	298,431	100.0%	627,163	100.0%	569,204	100.0%
Grand Total	\$ 298,431	100.0%	\$ 627,163	100.0%	\$ 569,204	100.0%

This program is entirely funded with general fund. A small amount of revenue is generated from nominal fees charged for printing and distribution, as well as civil fines for violation of campaign laws. Both are deposited into the general fund. In addition, COPP collects a \$150 lobbyist filing fee, \$50 of which is deposited into the general fund and \$100 in a state special revenue account that is appropriated to the Legislative Services Division to fund the state broadcasting system. The lobbyist license expires at the end of each even-numbered year, just before the start of the legislative session. Thus, the majority of the revenues are collected in odd numbered years. Total deposited revenues for statewide broadcasting in FY 2005 were \$56,684.

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget approved by the legislature. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

-----Fiscal 2008-----					-----Fiscal 2009-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				45,988					46,784
Inflation/Deflation				321					386
Fixed Costs				3,768					(2,190)
Total Statewide Present Law Adjustments				\$50,077					\$44,980
Grand Total All Present Law Adjustments				\$50,077					\$44,980

New Proposals

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Campaign Filing, Lobbyist/Principal Systems OTO										
01	0.00	123,338	0	0	123,338	0.00	46,575	0	0	46,575
DP 3 - Campaign Violation Investigator										
01	1.00	58,852	0	0	58,852	1.00	59,199	0	0	59,199
DP 4 - Additional Legal Costs (OTO)										
01	0.00	77,500	0	0	77,500	0.00	77,500	0	0	77,500
DP 5 - Constituent Services Account										
01	0.00	5,300	0	0	5,300	0.00	21,000	0	0	21,000
DP 7 - Broadcast Campaign Advertising Material and Affid										
01	0.00	4,400	0	0	4,400	0.00	0	0	0	0
DP 6013 - 2009 Biennium Pay Plan - HB 13										
01	0.00	8,984	0	0	8,984	0.00	21,221	0	0	21,221
DP 6014 - Retirement Employer Contributions - HB 131										
01	0.00	281	0	0	281	0.00	298	0	0	298
Total	1.00	\$278,655	\$0	\$0	\$278,655	1.00	\$225,793	\$0	\$0	\$225,793

DP 1 - Campaign Filing, Lobbyist/Principal Systems OTO - The legislature provided a one-time-only, restricted general fund appropriation to support completion of a system for a candidate filing system and a lobbyist/principal registration system. The database for this system was developed during FY 2005 and FY 2006. However, the web-based portion which allows access to file electronically has not been completed and requires additional funding to complete.

The following information was utilized as part of the legislative decision making process, and will be used for ongoing program evaluation. It was submitted by the agency, edited by LFD staff for brevity and to include any legislative changes.

Justification: The current paper-based system is both time intensive and error prone. Shifting to modern computer processes will simplify filing for most users, reduce errors, and ease public access to the data.

Goals: To allow easy-to-use electronic filing for candidates, committees, lobbyists and principals and to provide a convenient method for the public to access the data and reduction of errors in the reports filed with the Commissioner of Political Practices.

Performance Criteria: A project charter and a timeline presented to the Joint Appropriation Subcommittee on General Government and Transportation are to be used to track progress.

Milestones: Testing will begin in FY 2008. The new system will be available to users for the 2008 campaign cycle and 2009 lobbyist reporting period.

FTE: Agency is contracting with IT personnel to complete the work.

Funding: Project will be 100 percent general fund.

Obstacles: The high costs and complexities of delivering IT projects are the biggest challenges. Further, since campaign and lobbying filing deadlines are firm, the tendency to miss implementation deadlines with these projects raises those attendant risks.

Risks: The risk of not implementing this project is the continuation of current inefficient processes and the related costs and difficulties for both staff and the public.

DP 3 - Campaign Violation Investigator - The legislature included general fund support for 1.00 FTE and personal service costs of \$118,051 over the biennium for an investigator to resolve campaign violations. The intent of the additional FTE is to resolve campaign violations in a timely manner, reduce backlogs, and issue decisions more rapidly.

DP 4 - Additional Legal Costs (OTO) - The legislature included a one-time-only general fund appropriation to the Commissioner of Political Practices of \$77,500 general fund in each year of the biennium to fund anticipated legal costs and reduce the backlog of unresolved complaints.

DP 5 - Constituent Services Account - The legislature approved funding for COPP to administer legislation related to statewide or legislative office holders establishing and reporting on constituent services accounts.

DP 7 - Broadcast Campaign Advertising Material and Affid - The legislature provided general fund to support broadcast campaign advertising material and affidavit rulemaking and legal costs associated with administering the legislation.

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in FY 2008 and an additional \$36 per month in FY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 131 - The legislature adopted HB 131, which increases the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.